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Former Client Of FBI Head May Have Violated Trade Law

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WASHINGTON — The U.S. Justice Department is attempting to determine whether a St. Louis-based firm that once hired William H. Webster as its attorney should be prosecuted for vio ating federal sanctions prohibiting trade with Rhodesia.

A Justice Department spokesman confirmed Monday that the evidence was being reviewed and said that a decision would be made soon. The trade restrictions have existed since 1968, he said.

The St. Louis company, Hydro Air Engineering Inc., is at 1210 South Vandeventer Avenue. It manufactures metal bracing for roofs in prefabricated buildings.

Webster, currently the director of the Federal Bureau of Investigation, was the company's legal adviser for several years before resigning in December 1970 to become a judge on the 8th District U.S. Circuit Court of Appeals.

No federal officials in Washington would say whether Webster is under investigation or whether the alleged trade violations occurred while he was still associated with the company.

In a statement Monday, he denied knowing about or being involved in illegal trade activites.

Walter G. Moehlenpah, Hydro Air's board chairman, refused to comment on the investigation. He referred all inquiries to his attorney.

The Justice Department spokesman said the department first received evidence about possible violations more than a year ago from Treasury Department investigators. At that time, he said, the investigators were asked to supply additional information, which delayed a decision on prosecution.

"There were a lot of gaps in the report that was first filed," he said. "They have now been filled, and a decision is being made on what to do with the information."

The Treasury Department is responsible for policing the trade sanctions and forwarding evidence of possible violations to the Justice Department for prosecution.

The Rhodesian trade restrictions were ordered by President Lyndon B. Johnson to comply with a United Nations Security Council resolution calling for a complete trade and travel boycott of the African nation.

A Treasury Department official familiar with the investigation said it had been going on since March 1977. St. Louis television station KSD-TV reported on its evening news Monday that a former president of the company had said that the trading had occurred.

The former officer, Charles Gore, said that the trading began during his five years with the company in the early 1970s. Gore is now with a Seattle firm. The report said another former officer, Robert Morgan, had confirmed that the company had traded with Rhodesia. Morgan, the report said, had managed a subsidiary of the company in South Africa from 1970 to 1972.

In an interview, Morgan said Hydro Air had dealt directly with Rhodesia through a company operating in South Africa and Rhodesia called Plate Glass Ltd. Later the St. Louis-based firm set up a separate corporation called Metal Connectors to conclude the trade with Rhodesia, the television station reported.

A Treasury Department spokesman said, under the sanction, it was legal for a subsidiary of an American company to trade with Rhodesia provided that no U.S. citizens or equipment were involved. He refused to say whether the investigation involved only officials in the parent company or Americans working for the South African-based subsidiary.

Webster's involvement with the company could make him liable for prosecution, another Treasury Department official said. But that would depend on several circumstances, including whether he knew that the alleged trading was occurring and that it was being done illegally, the official said.

In his statement, Webster denied any wrongdoing.

"I was attorney for Hyrdo Air Engineering for a number of years, resigning in December 1970 when I was appointed a federal district judge," he said. "I am not familiar with the details of the current investigation of Hydro Air and have not been personally involved in that investigation in any manner whatsoever.

"During my professional relationships with Hydro Air I was not aware of any trade sales with Hydro Air or any affiliate companies with Rhodesia or any other companies on an embargo trade list."

The KSD report said that Treasury Department investigators were disturbed that the Justice Department had not prosecuted officers of Hydro Air and speculated that Webster's former association with the company might be a reason.

But a Treasury spokesman said Monday that he had no knowledge of such concern within the department and that no FBI agents had been involved in the investigation.